

Eastern Shore 2010: A Regional Vision
Goal Two: Economic Development Support for
Resource-Based Industries

A White Paper of Options Focusing on Increasing Economic
Development Support for Agriculture, Forestry and Fisheries on
the Upper Eastern Shore of Maryland

**Report prepared for the
Maryland Center for Agro-Ecology, Inc., Queenstown, Maryland**

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Developed and Written by:

American Farmland Trust



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American Farmland Trust (AFT) is a private, nonprofit conservation organization founded in 1980 to protect our nation's strategic agricultural resources. AFT works to stop the loss of productive farmland and to promote farming practices that lead to a healthy environment. AFT provides a variety of services to landowners, land trusts, public officials, planners, agricultural agencies and others. Services include Cost of Community Services studies, workshops on farmland protection and estate planning, farmland protection program development and agricultural economic analysis.



NATIONAL OFFICE
1200 18th Street NW, Suite 800
Washington, DC 20036
(202) 331-7300
(202) 659-8339 FAX
www.farmland.org

TECHNICAL ASSISTANCE SERVICES
One Short Street, Suite 2
Northampton, MA 01060
(413) 586-9330
(413) 586-9332 FAX

For information about this report, contact Andy Andrews
at American Farmland Trust, (410) 827-4370.

Economic Development Support for Resource-Based Industries

TABLE OF CONTENTS

Executive Summary.....	4
Background.....	6
Purpose.....	7
Introduction.....	8
Local Efforts Underway.....	10
County-Specific Options for Increasing Economic Development Support for Resource-Based Industries.....	11
Funding Options.....	17
References.....	18

EXECUTIVE SUMMARY

The Eastern Shore Land Conservancy (ESLC) hired American Farmland Trust (AFT), with funding from the Maryland Center for Agro-Ecology, Inc. (MCAE), to develop a white paper of options focusing on increasing economic development support for agriculture, forestry and fisheries on the Upper Eastern Shore of Maryland.

In August 2003, a task force consisting of Farm Bureau representatives, County Economic Development officials, Cooperative Extension agents from the Upper Shore counties and representatives from Mid-Atlantic Farm Credit, the Mid Shore Regional Council, Chesapeake Fields Institute and Vision Forestry was organized (see Acknowledgments for full list of task force members). The charge of the task force was to assist in the development of the white paper, and the task force met to do so three times during the fall of 2003. AFT conducted a nationwide search to identify economic development plans and initiatives pertaining to agriculture, forestry and fisheries. Numerous plans were identified and reviewed, and information relevant to the Eastern Shore was incorporated into the white paper.

Economic impact research conducted by the Business, Education and Community Outreach Network at Salisbury University using IMPLAN data indicates that resource-based industries are a major economic engine of the Upper Shore, accounting for 22 percent of all economic output. However, these industries face considerable challenges. Between 1982 and 1997 the Upper Shore lost 1,428 agricultural related jobs and the Delmarva Peninsula lost 81,900 acres of farmland.

In order to preserve agriculture, forestry and fisheries on the Upper Shore and one of our most valuable assets—open, productive land—it will be vital that county economic development efforts increase their support for resource-based industries.

Key options for increasing support for resource-based industries:

- 1. Increase business development assistance to resource-based businesses.**
Business consulting in enterprise development, marketing and financial management to farm-, forestry- and fisheries-related businesses can offer assistance to producers who want to diversify into new crops and expanding market opportunities.
- 2. Improve the marketing capacity of the resource-based industries and support diversification.**
Most resource-based businesses are limited in what they can produce by their marketing capability. These business owners need an expanded capacity to market their products.
- 3. Improve workforce availability and retention for resource-based industries.**
Resource-based industries are dependant on the availability and retention of skilled and unskilled workers. The shortage of laborers is a critical issue to these industries on the Upper Shore and around the country.
- 4. Improve access to financing and capital for resource-based industries.**
It is important for resource-based industries to have access to financing and capital for entrepreneurial business development.

It is also important that the region work cooperatively to maximize available resources and support ongoing initiatives. The above options could be accomplished through a regional partnership and housed under one of the regional economic development entities on the Shore. Sharing the expense of the program would keep program costs to each county at a minimum, and funding could be matched by the Maryland Economic Development Assistance Fund, USDA and other grants. If funded, the Delmarva Conservation Corridor Program would also supply monies for this work.

The above work will continue through the spring of 2004 with the creation of a regional economic development strategy for resource-based industries. The strategy will identify the most promising opportunities for retaining and expanding the resource-based industries, as well as any impediments or challenges these industries face now or may be confronted with in the future.

BACKGROUND

Eastern Shore 2010: A Regional Vision (ES 2010) is an inter-county land use agreement proposed in the spring of 2002 by the Eastern Shore Land Conservancy (ESLC) with the guidance of a steering committee chaired by Congressman Wayne Gilchrest and former Maryland Governor Harry Hughes. The agreement encourages the Upper Shore counties of Cecil, Kent, Queen Anne's, Talbot, Caroline and Dorchester to work together to achieve common goals that focus on key land protection and growth management elements. Among those goals (Goal # 2) is to: **“Recognize our resource-based economy as a key part of the Eastern Shore heritage and future by integrating agriculture, fisheries, and forestry into each county’s economic development plan by 2005.”**

This movement already has begun on the Upper Shore, with several important initiatives leading the way. Chesapeake Fields Institute (CFI) was organized to address the profitability issues of farmers on the Eastern Shore and Delmarva region. CFI’s mission is “to strengthen the profitability of traditional agricultural markets for family farms, while conserving the region’s natural and cultural resources.” It is currently working on a project to increase the profitability of grain farming by using soybeans and wheat for bread and snack foods. Cecil County, Maryland, recently hired an agricultural development specialist to help local farmers market their products and to address agriculture’s needs in county government. County Extension and economic development offices across the six-county region are working with farmers on diversification, direct marketing, entering new markets and other strategies for increasing profitability. ES 2010 will build off these and other local successes and support their ongoing operations.

ES 2010 grew out of the concern for preserving the way of life in the six Upper Shore counties, as well as the landscapes and the industries that rely on those landscapes for their well-being. It is an initiative that aims to step up current efforts and increase the amount of resources available to address these issues. Goal # 2 specifically focuses on increasing economic development opportunities for agriculture, forestry and fisheries.

To achieve this goal the ESLC formed a task force of local economic development officials and the farming, forestry and fishing industries. The task force includes representatives from County Economic Development offices/corporations, Cooperative Extension, Farm Bureau, Chesapeake Fields Institute, Mid-Atlantic Farm Credit, the Mid-Shore Regional Council and Vision Forestry.

The task force’s charge is to assist in the development of this white paper that lays out for local governments voluntary options aimed at strengthening the Eastern Shore’s resource-based industries—farming, forestry and fishing. The task force met three times in the fall of 2003 and offered specific suggestions on how counties could step up efforts to support local resource-based industries.

ESLC hired American Farmland Trust (AFT) to coordinate the work of the task force, both to write this white paper and to develop a comprehensive regional strategy for resource-based industries. The strategy, to be released in the summer of 2004, will identify the most promising opportunities for retaining and expanding the resource-based industries, as well as any impediments or challenges these industries face now or may be confronted with in the future.

PURPOSE

The purpose of this white paper is to augment existing efforts and offer Upper Shore counties a menu of options for economic development support that they could use to help local resource-based industries. These options are meant to be incorporated into or are drawn from existing county plans and strategies and existing economic development efforts.

Even more important than the specifics of the options and the commitment of ES 2010, it is vital that county economic development efforts increase their support for resource-based industries, as these industries reflect our traditions and leverage one of our most valuable assets—open, productive land. It is also important to note that this process will not end with the completion of the white paper but will continue with recommendations in a regional strategy and the efforts of individuals and organizations to address new opportunities for resource-based economic development.

INTRODUCTION

The Upper Shore region, made up of Cecil, Kent, Queen Anne’s, Talbot, Caroline and Dorchester counties, comprises the northwest sector of the Delmarva Peninsula. This region is part of what is often considered the largest contiguous block of farmland between Maine and Virginia. Agriculture, forestry and fisheries always have been the foundation of the economy here and remain the top industrial sector, accounting for approximately one-third of the economic output for this industry sector across the whole Delmarva Peninsula.

Resource-based industries make up a substantial portion of each county’s economy as well as of the region’s economy overall. They account for 22 percent of the region’s total economic output, or more than \$2 billion annually. In fact, direct output alone was nearly \$1.3 billion in 1999 (Table 1).

County	Direct Output ¹	Indirect Output ²	Induced Output ³	Total Output	Total Output, County	RBI ⁴ % of total
Cecil	\$240,277,650	\$62,976,272	\$75,830,170	\$379,084,095	\$2,784,840,000	14
Kent	\$122,608,814	\$32,378,223	\$30,357,023	\$185,344,057	\$820,596,000	23
Queen Anne’s	\$194,315,254	\$66,456,012	\$57,336,800	\$318,108,064	\$1,291,180,000	25
Caroline	\$124,081,398	\$28,359,941	\$24,905,640	\$177,346,979	\$1,075,540,000	16
Talbot	\$207,423,188	\$81,094,230	\$100,450,926	\$388,968,342	\$2,076,547,000	19
Dorchester	\$398,893,764	\$134,360,662	\$71,545,577	\$604,799,996	\$1,206,540,000	50
Totals	\$1,287,600,068	\$405,625,340	\$360,426,136	\$2,053,651,533	\$9,255,243,000	22

Source: Business, Economic, and Community Outreach Network at Salisbury University, IMPLAN, 1999.

Agriculture is a major employer on the Upper Shore. Thirteen percent of the region’s jobs are provided by agriculture, food processors and related services (Table 2).

County	Direct Employment	Indirect Employment	Induced Employment	Total Employment	Total Employment, County	% of total
Cecil	1,350	448	620	2,418	31,634	8
Kent	1,109	286	319	1,714	10,756	16
Queen Anne’s	1,318	588	563	2,469	16,761	15
Caroline	1,025	383	366	1,774	12,876	14
Talbot	1,798	844	1,014	3,656	27,074	14
Dorchester	1,595	805	805	3,205	15,129	21
Totals	8,195	3,354	3,687	15,236	113,230	13

Source: Business, Economic, and Community Outreach Network at Salisbury University, IMPLAN, 1999.

However, these industries face serious challenges. Between 1982 and 1997, the Delmarva Peninsula lost 81,900 acres of agricultural land to developed uses (Figure 1).

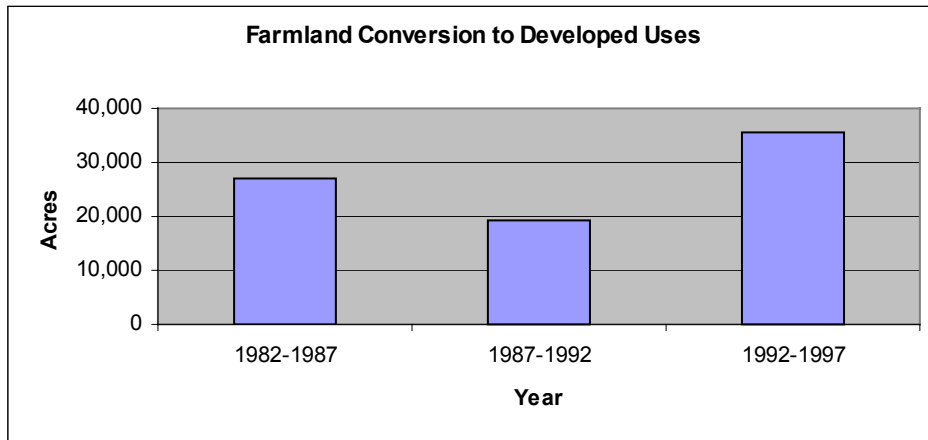
¹ Direct output is total industry production for a given year. It is equal to shipments plus net additions to inventory.

² Indirect output effects describe the interaction of resource-based industries purchasing from other local industries.

³ Induced output effects are the interaction of institutions—typically household spending from income generated by resource-based industries.

⁴ Resource-based industries include agriculture, forestry, fisheries and mining.

Figure 1. Farmland Conversion, Delmarva Peninsula, 1982 to 1997



Source: USDA, National Resource Inventory, 1982, 1987, 1992 and 1997

Job opportunities also are in decline. The Upper Shore counties lost 1,428 agricultural jobs between 1982 and 1997 (Table 3).

County	1982	1987	1992	1997	# Decrease, 1982 to 1997	% Decrease, 1982 to 1997
Cecil	1,071	945	855	839	232	22
Kent	976	952	924	830	146	15
Queen Anne's	986	875	826	757	229	23
Caroline	1,132	972	902	840	292	26
Talbot	704	586	507	379	325	46
Dorchester	774	660	586	570	204	26
Totals	5,643	4,990	4,600	4,215	1,428	25

Source: Regional Economic Information System, 1982, 1987, 1992 and 1997

In addition, global competition, unstable and unpredictable market conditions, a lack of diversification, and the inability to capture a significant profit from the products produced here add to the obstacles these industries face. These are not new challenges but have proven persistent and have even intensified in recent years.

ES 2010 outlines a comprehensive approach to preserving and expanding the resource-based industries as well as the rural heritage that has defined the Eastern Shore for centuries. **Crucial in this approach are direct actions that can be taken by local and state governments and private organizations to retain and expand these industries.** In the following section, four options are presented that outline potential actions of this nature. They are presented for consideration by Upper Eastern Shore counties as they plan for meeting their commitment to resource-based industries under Goal # 2 of ES 2010. As they are general in nature, these options should be considered as a starting point and will be further refined by counties as this project continues toward a comprehensive regional strategy, due in the summer of 2004.

LOCAL EFFORTS UNDERWAY

Several important local initiatives aimed at improving local productivity of resource-based industries already are underway on the Eastern Shore. Some are businesses, both in operation and just getting off the ground; others are programs that support agricultural viability. A regional partnership could benefit these programs by encouraging more farmer participation, conducting outreach, researching funding opportunities and providing other assistance as needed.

1. **Chesapeake Fields Institute** just completed its second year of growing and shipping natto soybeans to Japan. This shipment was one of the largest of its type sent out of the Port of Baltimore. CFI has spent thousands of dollars researching the marketplace and completing feasibility studies on agricultural products that can be grown on the Eastern Shore.
2. The **Mid-Atlantic Biofuels Group** is conducting research to determine whether a \$30 million dollar ethanol production plant would be successful on Maryland's Eastern Shore. The plant would use barley to produce ethanol, allowing farmers to double crop soybeans in the same ground after harvesting barley.
3. **Boyle Brothers Seed Cleaning** of Centreville offers local farmers the opportunity to grow grains for seed rather than selling them as a commodity. This is a good example of a local value-added agricultural business.
4. **Schillinger Seed, LLC**, operates a research station in Queen Anne's County that focuses on developing new soybean varieties and corn hybrids. The Eastern Shore provides an ideal location for this type of business.
5. Local **canneries, meat packers and poultry and seafood processors** make up a significant part of the Eastern Shore's economy. They account for \$464 million in economic output and provide 2,900 jobs.
6. Local **economic development and tourism** offices have promoted farms, fishing marinas and other rural businesses in varying degrees. **Cecil and Kent Counties** are developing brochures to promote local farms. Tourism represents a significant opportunity for local farms to capitalize on visitors coming into the region.
7. The **Mid-Shore Regional Council** recently developed a Comprehensive Economic Development Strategy (CEDS) that includes as one of its six goals to "strengthen and diversify agriculture, fisheries and support newest techniques in aquaculture and agriculture." The recently established **Upper Shore Regional Council** will have a similar focus, setting the stage for a regional partnership for development of resource-based businesses.
8. The **Chesapeake Bay Region Technical Center of Excellence** works in all nine counties of the Eastern Shore to create and help recruit new businesses that have a significant impact on the region. The Center would make an ideal partner in the above alliance for recruitment and creation of resource-based businesses.

COUNTY-SPECIFIC OPTIONS FOR INCREASING ECONOMIC DEVELOPMENT SUPPORT FOR RESOURCE-BASED INDUSTRIES

The efforts identified in the previous section are very important to the future economic prosperity of resource-based industries on the Eastern Shore. In addition, counties and regional economic development associations throughout the nation are addressing similar issues. Some local examples are mentioned below. Also, economic development plans from selected counties and regions were reviewed to identify new ideas and approaches from other parts of the country that could be applied in the Upper Shore.

In developing a strategy to assist these industries, it is important to recognize that there are fundamentally three different segments.

- 1.) **Commodities** on the Upper Shore include primarily poultry, grains, dairy, beef and pork. Agribusinesses producing these compete on the basis of price. Prices of commodities are subject to international conditions and fluctuate seasonally. Commodity products form the economic backbone of the agricultural economy on the Upper Shore. It will be crucial to provide support in order to retain these industries.
- 2.) **Value-added** producers compete on the basis of customer benefits by marketing a differentiated product. This includes direct-marketed products, organic foods and feed grains, cooperatives, identity-preserved grains for bread and other products. Value-added products are a growing segment on the Upper Shore and allow farmers to realize additional revenue streams through diversification. Producers interested in value-added need assistance in marketing and business development.
- 3.) **Recruiting/expanding existing corporations and/or academic institutions** engaged in agricultural genetics, agriceutical and biotechnology research also holds promise. This is a rapidly expanding sector of economic activity, and the Eastern Shore is ideally suited geographically to host organizations involved in this kind of work.

All of the above segments can benefit from the ideas mentioned below. Research recently conducted on several Eastern Shore counties has concluded that farm and forest lands pay more in taxes than they receive in services. Additional assistance will not only benefit resource-based industries but makes good fiscal sense.

Options for Consideration

1.) Increase business development assistance to resource-based businesses.

Business consulting in enterprise development, marketing and financial management to farm, forestry and fisheries-related businesses would assist small and start-up businesses. Training economic development professionals to be more proficient in agriculture, forestry and fisheries business development could spur growth in this industry sector. Assistance could be offered to producers who want to diversify into new crops and expanding market opportunities. All business development resources, including the Maryland Small Business Association (SBA) and Department of Business and Economic Development (DBED), should be utilized fully to assist farm, forestry and fisheries businesses.

Implementation

a.) Advocate for the creation of a resource-based business development support program. For example, hire a resource-based industry development specialist to advance the following objectives. This position would address the needs of resource-based industries and work with Cooperative Extension to provide business and economic development assistance.

Examples:

- The University of Maryland Cooperative Extension has held numerous educational meetings throughout the area to address new opportunities for resource-based economic development. The wine-grape movement in Queen Anne's County, the expanded greenhouse projects on the Lower Shore, the sporting clay opportunities, and the for-fee hunting opportunities have all been introduced and supported by Extension. Organic opportunities have also been discussed at length, including a Kent County group that met on a regular basis in the late 1990s. Extension has also taken the lead to establish farmers' markets in several areas of the state and has linked local growers with market research efforts.
- In 2003, the Michigan Partnership for Product Agriculture coordinated the formation of an agricultural innovation center. The center works to deliver product development, marketing, and research and development services to entrepreneurs with resource-based businesses. To launch the center, Michigan State University (MSU) received a \$1 million grant from USDA; annual appropriations will be made through MSU Cooperative Extension's budget to support ongoing operations. Connected to the center are nearly 20 Agricultural Innovation Counselors who represent all regions of the state. The Counselors assist clients in identifying new market opportunities, developing new products and establishing new businesses.
- Under its Farm Viability Enhancement Program, the commonwealth of Massachusetts provides a team of business consultants and \$20,000 to \$40,000 grants to farmers who qualify for the program and agree not to develop their land for five to 10 years.
- Agricultural development specialists representing nine counties in Maryland (Baltimore, Calvert, Charles, Cecil, Frederick, Howard, Harford, Montgomery, and St. Mary's) assist farmers with marketing, including developing promotional materials and setting up farmers' markets, promoting agritourism and providing legislative support and a voice for agriculture on the county level.

b.) Access existing incentives and advocate state-level creation of additional financial economic development incentives for resource-based businesses.

Example: In 1997, Michigan became the first state to adopt tax-free Renaissance Zones to help create new jobs and increase investments. These zones are credited with luring 128 companies to the state, creating 3,663 new jobs and more than \$330 million in new investments. Michigan recently expanded the Renaissance Zones law to include the farming and food processing industries. Ten such zones will be located throughout the state, offering qualified processors to operate tax-free for up to 15 years. The Michigan Department of Agriculture is working with the Michigan Economic Development Corporation to administer this program.

- c.) Adapt and incorporate local and regional business retention and expansion tools and strategies to support resource-based industries.** Provide farmer recruitment, funding, and outreach and education assistance to existing initiatives such as Chesapeake Fields Institute and the Mid-Atlantic Biofuels Group.

Examples:

- Maryland Cooperative Extension is partnering with the Howard County Economic Development Authority on offering a 12-week business development course to local farmers, “Tilling the Soil of Opportunity,” through the NxLevel Agricultural Entrepreneur Training Program. This course is geared toward individuals interested in starting a non-commodity agricultural enterprise. Participants will receive training in innovative ideas and enhanced marketing opportunities.
- The Northern Lakes Economic Alliance, a regional economic development organization covering Antrim, Charlevoix and Emmet counties in Michigan, employs an agribusiness development specialist who explores new markets for local farmers and works with them on pursuing new opportunities.
- Loudoun County, Virginia, recently kicked off a “Farm Business Planning Initiative” aimed at producers interested in high-value agricultural enterprises. The program will conduct an assessment of the resources of current operations and provide assistance to help create farm business plans.

- d.) Work to promote connection between Service Corps of Retired Executives (SCORE) network and resource-based businesses through local economic development office or chamber of commerce.**

2.) Improve the marketing capacity of the resource-based industries and support diversification.

Most resource-based businesses are limited in what they can produce by their marketing capability. Often, each individual farmer, fisherman or forester must promote his/her own products. These business owners need an expanded capacity to market their products. Execute a well-planned and coordinated “buy local” campaign to promote consumer purchase of Eastern Shore agriculture, forestry and fisheries products. Promote farm stands, farmers’ markets, local seafood and forestry products and encourage local supermarkets to stock local products. This could have many potential benefits to the Shore including increased income to local farmers, foresters and fisherman; local dollars remain in local circulation; reduction in transportation costs; and retention or growth in local jobs.

Implementation

- a.) Regional resource-based support entity [outlined in 1 (a)] acts as a broker between producers and local markets, including restaurants, grocery stores and other venues.**

Examples:

- Maryland Department of Agriculture’s “Maryland’s Best” is a branding program that works to promote Maryland agricultural products and access high-value markets, such as restaurants and small market opportunities. This program could be used or customized to promote Eastern Shore products.

- The Appalachian Sustainable Agriculture Project's *Local Food Guide* is a regional effort to promote farm products and services in the mountains of western North Carolina. This attractive, well-organized guide provides details on local farms, bed & breakfasts, caterers and bakers, grocers, restaurants, CSAs and tailgate markets.

b.) Regional resource-based support entity creates a Web site and other promotional materials that list county-based businesses and their products.

Example: Cecil and Harford counties have Web sites featuring products and services offered by the agricultural community. Included is a directory of farms, agricultural markets and events, and information on agricultural land preservation.

c.) Regional resource-based support entity, Cooperative Extension and Chamber of Commerce organize an annual tour of resource-based businesses that produce products for retail sale.

Examples:

- The Maryland Department of Agriculture (MDA) has been working closely with the Office of Tourism Development to get agritourism sites listed on the Maryland Field Trip Guide, Destination Maryland and the Maryland Calendar of Events. MDA also lists agritourism locations on its Web site.
- Howard County promotes farms that sell products directly to consumers. These farms sell a wide diversity of products including fruit, vegetables, jams, flowers, herbs, turkeys, and more. Services offered by the farms include horseback riding, hunting, petting zoos, hayrides and birthday parties. One farm here had 11,000 visitors in 2002.
- Loudoun County, Virginia, has two guides to promote its agritourism industry. The *Loudoun Wine Trail* lists wineries that cater to visitors, while the *Fall Color Tour* highlights all of Loudoun's farms that are open to the public. The *Tour* takes place on a specific weekend.

d.) Regional resource-based business support entity organizes an ongoing farm-marketing task force that identifies new opportunities and develops strategies for developing new products. For example, research market opportunities for products and services in the nearby metropolitan areas of Baltimore, Washington, D.C., Philadelphia, and other areas.

Example: Chesapeake Fields Institute has conducted extensive research to identify an appropriate value-added food processing opportunity that can use grain and soybean products that are easily grown on the Eastern Shore. The resulting products can be sold in nearby markets and identified as locally grown on the Eastern Shore.

e.) Pursue USDA and other grants to develop community food systems, such as the Farm-to-School program, and encourage other county-operated institutions (senior centers, detention centers) to purchase products grown on the Eastern Shore.

Example: The farm-to-school movement began in 1996 in California and Florida when two schools began programs that involved local farmers supplying fresh produce to the schools. Today, at least 75 school districts with over 500,000 school children have such programs that also involve field trips and education about the importance of farming and nutrition.

- f.) Regional resource-based business support entity in partnership with Eastern Shore Heritage, Inc., Chesapeake Country Scenic Byway Association, county public works and Maryland Transportation Authority** provides directional signage to resource-based industries that sell retail products. Produce guide maps to correspond to signage.

Examples:

- Maine has developed a network of signage on the U.S. Route 1 corridor that effectively directs visitors to resource-based and other tourist attractions. Businesses that are identified by the signage include bed & breakfasts, fishing boats, farm stands, farmers markets, eco-tourism operations and local cottage industries, such as jam/jelly processors.
- The five counties of New Jersey's "Great Northwest" (Hunterdon, Morris, Somerset, Sussex, and Warren) have partnered with Rutgers Cooperative Extension to develop a brochure that highlights the region's agritourism attractions. The brochure lists farms that offer goods and services to visitors ranging from vegetables to Christmas trees to hayrides.
- Italy has a network of "agritourismos" that welcome visitors for a wide variety of activities (B & B, wine tasting, hayrides, etc.). The network has special signage and promotional materials.

- g.) Fund cooperative efforts toward local and regional marketing and branding of resource-based businesses.**

Example:

- The Delmarva Economic Development Association's "Shore to Store" program promotes the availability of local produce by encouraging grocers to carry local products. In 2002, 100 stores participated in the program.

3.) Improve workforce availability and retention for resource-based industries.

Resource-based industries are dependant on the availability and retention of skilled and unskilled workers. The shortage of laborers is a critical issue to these industries around the country.

Implementation

- a.) Establish communication with the Maryland Department of Labor, Licensing and Regulation (DLLR) and University of Maryland Cooperative Extension to determine the needs of farm, forestry and fisheries businesses.**
- b.) Staff the coordination of a shared labor pool among resource-based businesses.**
- c.) Assist resource-based business owners in obtaining affordable employee benefits such as health insurance and liability insurance. An example would be to build incentives for the county HMO to provide affordable insurance to these businesses.**
- d.) Provide assistance to resource-based business owners in meeting the housing and language needs of migrant workers.**
- e.) Promote connections between local high schools and resource-based business that need summer help.**

Example:

Cornell Cooperative Extension (New York) has taken a proactive approach to strengthening the state's agricultural workforce by meeting the needs of employers, workers and beginning farmers. Its programs include the following:

- Agricultural Workforce Certification Program – assists New York farmers with the recruitment, training and placement of farm workers.
- Cornell Farm Human Resources Management Program – provides human resources research and training for farm managers.
- Cornell Migrant Program – addresses the needs and issues of migrant workers.
- Cornell Pro-Dairy Program on Human Resources Management.
- New Farmer Development Project – recruits and trains experienced immigrant farmers and helps them grow food for disadvantaged city neighborhoods.

4.) Improve access to financing and capital for resource-based industries.

It is important for resource-based industries to have access to financing and capital for entrepreneurial business development.

Implementation

- a.) Develop a revolving loan fund to provide gap financing for resource-based businesses;**
- b.) Maximize grant funding to resource-based industries by pursuing funding sources on page 17 and provide assistance to resource-based businesses in obtaining grants and low interest loans for startup, expansion and retention;**
- c.) Work to increase private investment in the resource-based industries by sponsoring an informational forum for investors and potential resource-based businesses that would consider locating in the region;**
- d.) Organize regional level resource-based industry lending program with community banks. Make lending to the resource-based industries a mandatory criterion for the placement of county funds with a bank.**

This would allow resource-based businesses to move into producing new products without selling off part of their land or equipment to generate the necessary capital.

FUNDING OPTIONS FOR REGIONAL PROGRAM

The resource-based business development support program outlined in option 1 (see page 11) would consist of one full-time staff person shared between Kent, Queen Anne's, Caroline, Talbot, and Dorchester counties (Cecil currently employs its own full-time agricultural development specialist). A program of this nature would require an annual operating budget of approximately \$60,000. This figure is based on estimated costs of existing programs.

Operating Budget, Years 1 to 5

Salary	\$45,000
Fringe	\$ 4,000
Travel and other expenses	\$ 4,000
<u>Operating</u>	<u>\$ 7,000</u>
Total	\$60,000

The initial costs of the program could be shared as follows:

<u>Time Period</u>	<u>County Allocation</u>	<u>Other Fund Raising/Match</u>	<u>Total</u>
Years 1 to 5	\$ 5,000/county \$25,000 total	\$35,000	\$60,000

A shared program between the five counties would promote regional cooperation and sharing of resources. Responsibility for raising funds outside of the suggested county allocation would be incumbent upon the program and project partners. Possibilities include the following:

1. **Grant funding:** Many sources of funding exist to support the options outlined above. For example:
 - United States Department of Agriculture (USDA) grant funding;
 - Economic Development Administration (EDA) grants;
 - United States Department of Commerce grants;
 - Local foundations, such as Town Creek, and
 - National foundations, such as the Kellogg Foundation, that support agricultural related efforts.
2. **Maryland Economic Development Assistance Fund:** Current statutes require that these funds be used in priority growth areas. However, Governor Ehrlich has called upon DBED to support statutory exceptions to the priority funding requirement so that these funds can be used for poultry projects.
3. **Capital campaign:** Campaign soliciting of local businesses and individuals to support resource-based businesses could also help fund initial costs.
4. **Delmarva Conservation Corridor (DCC):** This comprehensive five-year pilot program, which was included in the 2002 Farm Bill, aims to protect and conserve natural resources and make farming profitable, thereby preserving Delmarva's rural way of life. A major goal of the DCC is to make it easier for farmers to enroll in the various agricultural preservation programs the USDA offers through federal, state, local and

private programs. Currently, these programs operate independently, but with an established DCC they could function together and farmers could go to one place to sign up for any of the available programs. Maryland's total request is \$114 million. Five million is earmarked for financial support for rural development that is primarily focused on diversifying production through alternative crops and attracting new businesses.

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